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Text of Final Justice Department Report on Billy Carter's Relations With Libya

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WASHINGTON, April 21 — Following is the text of the final Justice Department report, made public today, on the investigation into Billy Carter's relations with Libya:

Introduction

This is the final report of the Counsel on Professional Responsibility which is being furnished pursuant to Department of Justice Order No. 907-80, dated Aug. 1, 1980, signed by then Acting Attorney General Charles B. Renfrew. Under the terms of that order, the Counsel on Professional Responsibility was directed "to investigate for criminal, civil and administrative purposes, any offenses arising from the activities of 'Billy' Carter in acting as an alleged agent of the Libyan Government." On Oct. 29, 1980, we forwarded a "Status Report" regarding this investigation to the Solicitor General. Although the majority of the investigation had been completed as of that date, that report was nevertheless considered to be a "Status Report" because several critical interviews, as set forth below, had not been conducted.

Additional Investigative Steps Taken

Since the transmittal of our first report, the office has conducted those several additional interviews, an analysis of which warrants concluding this investigation. After a review of Presidential records by this office, President Carter was interviewed under oath about the extent of his knowledge of Billy Carter's activities, his access to intelligence reports involving Billy Carter, discussions with Dr. Brzezinski and Attorney General Civiletti about Billy Carter, and any attempts on the part of Carter family members to influence the President to release aircraft to Libya.

Also, Dr. Brzezinski was reinterviewed. He was questioned as to the extent of the intelligence information available to him regarding Billy Carter and his dissemination of that information to the President, Billy Carter, and others. We were finally able to interview William Eagleton, former American chargé d'affaires stationed in Tripoli, but currently stationed in Baghdad, Iraq, regarding his observations of Billy Carter's activities and statements while in Libya in 1978 and 1979. Moreover, Richard Gardner, American Ambassador to Italy, was questioned about Mr. Carter's actions while in Rome, immediately prior and subsequent to his Libyan visits.

Several other interviews were conducted to obtain additional background information. Finally, Michele Papa, a Sicilian attorney and reputed Libyan agent, was interviewed and questioned about his reasons for seeking out Billy Carter and inducing him to travel to Libya. This office was precluded from interviewing high level Libyan officials because of the current state of relations existing between the United States and the Government of Libya.

Summary of Additional Investigation

On Dec. 19, 1980, then President Jimmy Carter was interviewed under oath at the White House. (His testimony was taken in the presence of Lloyd Cutler and Alfred Moses, both appearing as consultants on behalf of the President, and Presidential Deputy Counsel Michael Cardozo and Joseph N. Onek.)

In response to questioning, President Carter stated that he had no advance warning, and little direct knowledge, of Billy Carter's dealings with the Libyans. With respect to Billy Carter's first trip to Libya, in 1978, President Carter stated that he first learned of his brother's trip from his secretary, who informed him that Billy was already en route to Libya.

Other than directing Dr. Brzezinski to remind the State Department that Billy Carter was not an official representative of the United States Government, President Carter did not recall issuing any directives regarding his brother's trip. The President stated that he had had no prior conversations with Billy Carter regarding his 1978 trip to Libya. He also said that he was unaware prior to the summer of 1980 that Billy had been invited to Libya by Gibril Shalouf, the Libyan Ambassador to Italy, who had visited Billy Carter in Plains, Georgia, in mid-1978.

With respect to Billy Carter's second trip to Libya, in 1979, President Carter stated that he had learned of this trip only after it had been publicly announced in the news. (The President did relate that in February, 1979, when Billy Carter was hospitalized for alcoholism in Americus, Georgia, Billy told him that he was contemplating a second trip to Libya. The President told his brother that such a trip would be un-

wise because of the threat to Billy's health and the embarrassment it could cause to them both.) The President stated that he at no time discussed the release of aircraft to Libya with his brother and that he did not receive any pressure from any family member regarding the release of such aircraft.

Issue of Hostages in Iran

With respect to the use of Billy Carter in November, 1979, in initiating contacts with Libyan diplomats to secure the release of the American hostages in Iran, President Carter stated that the sole reason for using Mr. Carter was because of the latter's special friendship with the Libyans. The President referred to the Government's relations with Libya at the time as "proper" but "cool," and he believed that his brother could be used to achieve personally what might not be achieved through normal diplomatic channels. Billy's only action in this matter, according to the President, was to arrange for a meeting between Dr. Brzezinski and the Libyan chargé to Washington.

When asked whether he had considered that the use of Billy Carter in this manner might enhance his prestige with the Libyans, President Carter responded that, in retrospect, it is obvious that it would have had some positive effect. He added, however, that since Billy Carter's reputation with the Libyans was already established, he did not at the time focus upon the likelihood that Billy's use as a personal emissary would increase his stature with the Libyans.

The President indicated that he had no knowledge at that time that his brother had been engaged in prolonged business negotiations with the Libyans, nor that he was seeking a substantial loan from them. Mr. Carter stated that he first learned of these facts during the early summer of 1980, when these matters became public.

With respect to the President's conversation with then Attorney General Benjamin Civiletti regarding the Justice Department's investigation of Billy Carter, the President confirmed Mr. Civiletti's recollection of that conversation. He recalled that the Attorney General told him that the Justice Department was encouraging Billy to file as an agent for Libya, that Billy had so far refused, and that the department disagreed with his position. The President recalled asking whether there would be any criminal charges brought if his brother filed the required statement, and the Attorney General

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stated that, as a matter of standard procedure, no such charges would be filed. The President stated that this was the sum total of his conversation with Mr. Civiletti on this topic.

Brzezinski Interviewed Again

On Jan. 13, 1981, Dr. Brzezinski was reinterviewed to clarify certain information appearing in his telephone and appointment logs, which had been made available for review after the first interview had taken place. His appointment logs indicated a number of meetings between Dr. Brzezinski and then C.I.A. Director Stansfield Turner in Dr. Brzezinski's office on several significant dates, other than the March 31, 1980, meeting discussed in our first report. Dr. Brzezinski unequivocally stated that those other meetings had no relation to Billy Carter. He was also questioned as to the President's involvement, if any, in the meeting with Director Turner which did involve Billy Carter. Dr. Brzezinski stated that the President had no such involvement. The recollections of President Carter and Director Turner are consistent with Dr. Brzezinski's statements.

With respect to his handling of the intelligence information used in confronting Billy Carter regarding his oil dealings with the Libyans, Dr. Brzezinski defended his actions as appropriate, justified, and consistent with the national interest. Dr. Brzezinski stated that intelligence information is gathered not merely for informational purposes, but also for the express purpose of being intelligently used to further national goals. He stated that senior government officials frequently use such information in a manner similar to his use of this information, and that he felt that he had adequately protected the nature, sources, and methods used to obtain this information.

Office of Professional Responsibility attorneys also interviewed former American chargé to Libya, William Eagleton. Mr. Eagleton was questioned about his contacts with Billy Carter in Libya during Mr. Carter's two trips to that country. Mr. Eagleton did see Mr. Carter and his associates during both trips, but those contacts were social in nature and little discussion ensued as to Mr. Carter's attempts to engage in business transactions with the Libyans.

Negotiations on Oil

Mr. Eagleton stated that he did not learn of Mr. Carter's oil negotiations with the Libyans until this information became known publicly in 1980. He stated that he never heard Mr. Carter make any statements regarding the release of aircraft to Libya and that he knew of no efforts by Billy or his associates to achieve that result. Although Mr. Eagleton was interested in monitoring Mr. Carter's contacts with the Libyans for potential foreign policy ramifications, he stated that Mr. Carter generally conducted himself with discretion and his visits posed no foreign policy problems.

The final major interview conducted during the last phase of the additional investigation was that of Michele Papa on Feb. 12, 1981. Mr. Papa was interviewed because he is reputedly a high-level Libyan agent who has direct contacts with Libya's leader, Col. Qaddafi, and it was he who initiated the attempt to induce Billy Carter to travel to Libya in 1978. He also reputedly has ties to European terrorist groups and the P.L.O. In fact, the day prior to his interview, he had returned from a visit to Libya.

During the interview, Mr. Papa stated that his only purpose in seeking to arrange for contacts between Billy Carter and the Libyans was to promote mutual understanding and friendship between the Libyan people and the people of the United States. Mr. Papa downplayed the fact that Billy Carter was the brother of the President as the reason for Papa's interest, and he attempted to emphasize that promoting "citizen" contacts was in furtherance of Libya's people-to-people program (as described in our earlier report on this matter). Mr. Papa stated that there was never any intent by Libya to use Mr. Carter for political purposes. Although Mr. Papa was the original moving force in putting Mr. Carter in contact with the Libyans, he stated that he had never met Mr. Carter — although they did pass one another on one occasion in a hotel in Rome. In response to questioning, he stated that he was unaware of any monies received by Mr. Carter beyond the amounts already disclosed.

Conclusions

In our judgment, all relevant and viable investigative procedures have been carried to their logical conclusion, and further expenditure of resources on this investigation is not justified. Many of the issues involved in this matter were considered and disposed of in our first report. That discussion will not be repeated here.

Our primary conclusion is that no government officials or employees have been shown to have engaged in illegal conduct. While our view of the credibility questions regarding certain individuals as discussed in our earlier status report remains unchanged, we believe that governmental agencies functioned properly and were not subjected to any improper pressures.

For example, the Department of Justice pursued a thorough, competent investigation regarding Billy Carter's requirement to file as a foreign agent for the Libyan Government. Moreover, although our previous characterization of the Attorney General's remarks at his press conference on July 24, 1980, remains unchanged, there is no evidence that he sought to obstruct or impede the Criminal Division's handling of the Billy Carter investigation. As to whether his brief remarks to President Carter on June 17, 1980, were proper, this office acknowledges an Attorney General's broad responsibility to keep the President generally advised on matters to which, the President, as head of the executive branch, constitutionally

is charged to "take care that the laws be faithfully executed," is entitled to be informed.

Aircraft for Libya

With respect to the State Department's activities in considering the release of aircraft to Libya, and in keeping the White House advised of Billy Carter's activities, we see no basis for any criticism of those actions. Voluminous documentation demonstrates beyond reasonable doubt that the State Department approved the release of two 727 aircraft to Libya based solely upon foreign policy considerations.

With respect to its keeping the White House apprised of Billy Carter's activities in Libya, such actions are consistent with its normal responsibilities for keeping the White House informed on matters which could have an impact on foreign policy. It is clear that State acted solely in furtherance of the national interest. Moreover, we would point out that the State Department's cooperation with this inquiry was exemplary.

With respect to the actions of President Carter, no evidence was found which contradicts his claim that he had nothing more than a general awareness of his brother's involvement with the Libyans.

Billy Carter was of the view that his affairs were not the concern of his brother and he did not inform the President that he had entered into oil negotiations with Libya or that he was seeking a loan from Libyan officials.

Also, there is no evidence to suggest that President Carter had access to additional intelligence information other than that already disclosed.

Nothing suggests that President Carter acted to frustrate or impede the Department of Justice's investigation of Billy Carter or that he sought to assist his brother in attempts to engage in business transactions with the Libyans.

As for Dr. Brzezinski, the evidence supports his view that his actions were appropriate.

As for Billy Carter, although we remain of the opinion that he lied to Government agents investigating his Foreign Agents Registration Act responsibilities, the decision to initiate criminal prosecution in such cases is made within the Criminal Division. Because the conclusion has been reached that the Criminal Division acted appropriately throughout its handling of the Billy Carter F.A.R.A. investigation, there is neither a conflict, nor the appearance of a conflict, which would preclude the division from now exercising its normal investigative and prosecutive prerogatives.

Accordingly, we are forwarding all appropriate materials relating to this investigation to the Criminal Division which will reassume full jurisdiction for monitoring Mr. Carter's continuing obligations under the Foreign Agents Registration Act.

This office considers its involvement in this matter concluded.